

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE AMOUNT OF COMPENSATION PAYABLE
5 TO A TERMINATING STATE EMPLOYEE OR MONTANA UNIVERSITY SYSTEM EMPLOYEE AS
6 COMPENSATION FOR ACCUMULATED AND UNUSED SICK LEAVE; AMENDING SECTION 2-18-618,
7 MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10

11 **Section 1.** Section 2-18-618, MCA, is amended to read:

12 **"2-18-618. Sick leave.** (1) A permanent full-time employee earns sick leave credits from the first
13 day of employment. For calculating sick leave credits, 2,080 hours (52 weeks x 40 hours) equals 1 year.
14 Sick leave credits must be credited at the end of each pay period. Sick leave credits are earned at the rate
15 of 12 working days for each year of service without restriction as to the number of working days that may
16 be accumulated. Employees are not entitled to be paid sick leave until they have been continuously
17 employed 90 days.

18 (2) An employee may not accrue sick leave credits while in a leave-without-pay status.

19 (3) Permanent part-time employees are entitled to prorated leave benefits if they have worked the
20 qualifying period.

21 (4) Full-time temporary and seasonal employees are entitled to sick leave benefits provided they
22 work the qualifying period.

23 (5) A short-term worker may not earn sick leave credits.

24 (6) (a) An employee who terminates employment with the agency is entitled to a lump-sum
25 payment equal to ~~one-fourth~~ a percentage of the pay attributed to the accumulated sick leave as provided
26 in subsection (6)(b).

27 (b) An employee of the state or the Montana university system who terminates employment is
28 entitled to a lump-sum payment equal to the following percentage of the pay attributed to the accumulated
29 sick leave for the following number of years employed:

30 (i) less than 10 years, 25%;

1 (ii) at least 10 but less than 20 years, 50%;

2 (iii) at least 20 but less than 30 years, 75%;

3 (iv) 30 years or more, 100%.

4 (c) The pay attributed to the accumulated sick leave must be computed on the basis of the
5 employee's salary or wage at the time the employee terminates employment with the state, county, or
6 city. Accrual of sick leave credits for calculating the lump-sum payment provided for in this subsection
7 begins July 1, 1971. The payment is the responsibility of the agency in which the sick leave accrues.
8 However, an employee does not forfeit any sick leave rights or benefits accrued prior to July 1, 1971.
9 However, when an employee transfers between agencies within the same jurisdiction, the employee is not
10 entitled to a lump-sum payment. In a transfer between agencies, the receiving agency shall assume the
11 liability for the accrued sick leave credits earned after July 1, 1971, and transferred with the employee.

12 (7) An employee who receives a lump-sum payment pursuant to this section and who is again
13 employed by any agency may not be credited with sick leave for which the employee has previously been
14 compensated.

15 (8) Abuse of sick leave is cause for dismissal and forfeiture of the lump-sum payments provided
16 for in this section.

17 (9) An employee may contribute any portion of the employee's accumulated sick leave to a
18 nonrefundable sick leave fund for state employees and becomes eligible to draw upon the fund if an
19 extensive illness or accident exhausts the employee's accumulated sick leave. The department of
20 administration shall, in consultation with the state employee group benefits advisory council, provided for
21 in 2-15-1016, administer the sick leave fund and adopt rules to implement this subsection.

22 (10) A local government may establish and administer through local rule a sick leave fund into
23 which its employees may contribute a portion of their accumulated sick leave."

24
25 NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2001.

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27 NEW SECTION. **Section 3. Applicability.** [This act] applies to an employee of the state or the
28 Montana university system who terminates on or after October 1, 2001, with sick leave accumulated
29 before or after that date.

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